

## V I R G I N I A:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE PRODUCTION COMPANY, ) VIRGINIA GAS  
a West Virginia Corporation ) AND OIL BOARD

RELIEF SOUGHT: POOLING OF INTERESTS IN A 80.00- ) DOCKET NO.  
ACRE DRILLING UNIT DESCRIBED IN ) 99-0316-0713  
EXHIBIT A HERETO LOCATED IN THE )  
ROARING FORK COALBED METHANE GAS )  
FIELD AND SERVED BY WELL NO. )  
VC-3409 (herein "Subject Drilling )  
Unit") PURSUANT TO VA. CODE )  
§§ 45.1-361.21 AND 45.1-361.22, )  
FOR THE PRODUCTION OF OCCLUDED )  
NATURAL GAS PRODUCED FROM )  
COALBEDS AND ROCK STRATA ASSOCIATED )  
THEREWITH (herein "Coalbed Methane )  
Gas" or "Gas") )

## LEGAL DESCRIPTION:

SUBJECT DRILLING UNIT SERVED BY WELL NO. )  
VC-3409 (herein "Well") TO BE DRILLED IN )  
THE LOCATION DEPICTED ON EXHIBIT A HERETO, )  
GREATER WISE, INC. TRACT TK-103 )  
NORTON QUADRANGLE )  
GLADEVILLE MAGISTERIAL DISTRICT )  
WISE COUNTY, VIRGINIA )  
(the "Subject Lands" are more particularly )  
described on Exhibit "A", attached hereto and )  
made a part hereof) )

REPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on March 23, 1999, Southwest Virginia Higher Education Center, Classroom 226, One Partnership Drive, Abingdon, Virginia.

2. Appearances: James E. Kaiser of Wilhoit & Kaiser, appeared for the Applicant; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner and/or potential owner, i.e.,

person identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas in all Pennsylvania-aged coals from below the Norton seam to the top of the red and green shales including, but not limited to Hagy, Splashdam, Upper Banner, Lower Banner, Kennedy, Raven, Jawbone, Tiller, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 1, and any other unnamed coal seams, coalbeds and rock strata known as the Roaring Fork Coalbed Methane Gas Field (hereafter "Subject Formations") in the Subject Drilling Unit underlying and comprised of Subject Lands; (2) has represented to the Board that it has given notice to those parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.1-361.19 and 45.1-361.22, to notice of the application filed herein; and (3) that the persons set forth in Exhibit B are identified by Applicant as persons who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formations in the Subject Drilling Unit, underlying and comprised of Subject Lands. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests that: (1) pursuant to Va. Code § 45.1-361.22, including the applicable portions of § 45.1-361.21, the Board pool the rights, interests and estates in and to the Gas in the Subject Drilling Unit, including those of the Applicant and of the known and unknown persons named in Exhibit B hereto and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); and, (2) that the Board designate Equitable Production Company as the Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) pursuant to Va. Code Ann. § 45.1-361.21.C.3, Equitable Production Company (hereafter "Unit Operator" or "Operator") is designated as the Unit Operator authorized to drill and operate Well VC-3409 in Subject Drilling Unit, subject to the permit provisions contained in Va. Code §§ 45.1-361.27, et seq.; to §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; to §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; and to the Roaring Fork Coalbed Methane Gas Field Order entered by the Board on May 31, 1994, all as amended from time to time; and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including those of the Applicant and of the known and unknown persons listed on Exhibit B, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, leased or unleased, be and hereby are pooled in the Subject Formations in the Subject



Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formation</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All Pennsylvanian aged coals below the Norton seam to the top of the red and green shales, including, but not limited to Hagy, Splash-dam, Upper Banner, Lower Banner, Kennedy, Raven, Jawbone, Tiller, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 1, and any other unnamed coal seams, coalbeds, and rock strata, known as the Roar-Fork Coalbed Methane Gas Field.	Approximately 80.00 acres.	Well VC-3409 to be located as depicted on Exhibit A Depth: 1,800 feet.	Roaring Fork Coalbed Methane Gas Field	VGOB Order for the Roaring Fork Coalbed Methane Gas Field entered May 31, 1994.

For the Subject Drilling Unit  
underlying and comprised of the Subject  
Land Served by Well No. VC-3409

Wise County, Virginia

8. Election and Election Period: In the event any Gas Owner or Claimant named in Exhibit B has not reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said Gas Owner or Claimant and the Unit Operator, then such person may elect one of the options set forth in Paragraph

9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the Unit Operator at the address shown below or has duly postmarked and placed his written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in Exhibit B who has not reached a voluntary agreement with the Unit Operator may elect to participate in the well development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs (Multiple Completion):

\$162,500.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's "Interest within Unit" as set forth in the fourth column of Exhibit B times the Estimated, Completed-for-Production Costs set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the well development and operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in Exhibit B hereto who has not reached a voluntary agreement with the Unit Operator may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person,



commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas produced from any well development and operation covered by this Order multiplied by that person's "Interest Within Unit" as set forth in the fourth column of Exhibit B (for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas Owner or Claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within one hundred twenty (120) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the well development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in Exhibit B who has not reached a voluntary agreement with the Unit Operator may elect to share in the well development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject

Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event any Gas Owner or Claimant named in Exhibit B hereto has not reached a voluntary agreement with the Unit Operator and fails to elect within the time, in the manner, and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed well development and operation of Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies, and shall be deemed to have leased and/or assigned his right, interests, and claims in and to said Gas produced from Subject Formation in Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in Exhibit B elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated, Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected



to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within one hundred twenty (120) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in Exhibit B is unable to reach a voluntary agreement to share in the operation of the well contemplated by this Order at a rate of payment agreed to mutually by said Gas Owner or Claimant and the Unit Operator, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): Equitable Resources Energy Company be and hereby is designated as Unit Operator authorized to drill and operate Well No. VC-3409 in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code §§ 45.1-361.27 et seq.; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; Virginia Gas and Oil Board ("VGOB") Order establishing the Roaring Fork Coalbed Methane Gas Field Rules entered May 31, 1994, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Equitable Production Company  
 Eastern Region  
 P. O. Box 1983  
 1989 East Stone Drive  
 Kingsport, TN 37662-1983  
 Phone: (423) 224-3800  
 Fax: (423) 224-3891  
 Attn: Dennis R. Baker, Regulatory

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the well covered hereby within seven hundred and thirty (730) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by

Order of the Board, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the two year period referenced herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

16.1 Escrow Account: The Operator has represented to the Board that there are no unknown and unlocatable Claimants whose payments are subject to the requirements of Paragraph 16.2 below, and that there are no conflicting Claimants in Subject Drilling Unit whose payments are subject to the requirements of Paragraph 16.3 below. Therefore, unless and until otherwise ordered by the Board, the Escrow Agent named herein or any successor named by the Board is not required to establish an interest-bearing escrow account, (herein "the Escrow Account") or to receive and account to the Board pursuant to Paragraphs 16.2 and 16.3 below:

First Virginia Bank-Mt. Empire  
P. O. Box 1038  
Abingdon, VA 24210  
Telephone: (540) 628-2242  
Fax: (540) 628-2766  
Attention: Ms. Debbie Davis

16.2 Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and, pursuant to Va. Code § 45.1-361.21.D, said sums shall be deposited by the Operator into the Escrow Account, commencing within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code § 45.1-361.21.D.

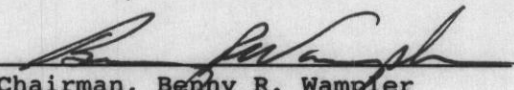


- 16.3 Escrow Provisions for Conflicting Claimants: If any payment of bonus, royalty payment, expenses in excess of ongoing operational or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account, commencing within one hundred twenty (120) days of the recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:
- 17.1 Applicant is a West Virginia corporation, duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2 Applicant claims ownership of oil and gas and coalbed methane gas leasehold estates representing 98.911000 percent of the gas and oil estate, and 98.911000 percent of the coal estate within the Subject Drilling Unit.
- 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.4 Applicant has proposed the drilling of one (1) well, Well No. VC-3409, to a depth of 1,800 feet on the Subject Lands to develop the Gas in Subject Formations.
- 17.5 Set forth in Exhibit B is the name and last know address of each person identified by the Applicant as having or claiming an interest in the Coalbed Methane Gas in the Subject Drilling Unit underlying and comprised of Subject Lands, including those Gas Owners or Claimants who have not in writing, leased to the Applicant or agreed to voluntarily pool their Gas interest in Subject Drilling Unit for its development. The Gas Owners or Claimants who have not reached a voluntary agreement to share in the operation of the well represent 1.089000 percent of the gas and oil estate and 1.089000 percent of the coal estate in Subject Drilling Unit.

- 17.6 The estimated production over the life of the proposed well is 400 million cubic feet.
- 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in paragraph 9 above.
- 17.8 An application for a Well Work Permit has been filed with the Department of Mines, Minerals and Energy for Well VC-3409.
- 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production of the Gas from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Gas, prevent or assist in preventing the various types of waste prohibited by statute, and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
21. Appeals: Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code § 9-6.14:1 et seq.
22. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 5<sup>th</sup> day of April, 1999, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler



DONE AND PERFORMED this 5<sup>th</sup> day of April, 1999, by Order of this Board.

Byron Thomas Fulmer  
Byron Thomas Fulmer  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA       )  
COUNTY OF WISE        )

Acknowledged on this 5<sup>th</sup> day of April, 1999, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett  
Susan G. Garrett  
Notary Public

My commission expires 7/31/2002

STATE OF VIRGINIA       )  
COUNTY OF WASHINGTON   )

Acknowledged on this 5<sup>th</sup> day of April, 1999, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis  
Diane J. Davis  
Notary Public

My commission expires September 30, 2001

000044 APR-7 99

439'

LATITUDE 37° 00' 00"

LONGITUDE 82° 40' 00"

3,680'

**TOTAL UNIT AREA**  
**= 80.00 ACRES**



Lease No. 223096L-01 / Tk. 680  
 Lease No. 223096L-02 / Tk. 680  
 PVRC - surf., coal, oil & gas  
 William Robinett  
 139.74 Acres  
 GAS 0.35 AC. 0.44%

TRACT #2

UNIT BOUNDARY

1866.76

Lease No. 223096L-01 / Tk. 679  
 Lease No. 223096L-02 / Tk. 679  
 PVRC - surf., coal, oil & gas  
 William Robinett  
 97.74 Acres  
 GAS 16.12 AC. 20.15%

TRACT #3

P. H. Robinette  
 Estate - surface,  
 coal, oil & gas  
 13.35 Acres  
 GAS 1.59 AC. 1.98%

TRACT #4

Lease No. 223143L  
 Humphreys Enterprises Inc.-  
 surface, coal, oil & gas  
 13.35 Acres  
 GAS 7.19 AC. 8.99%

TRACT #5

Lease No. 223095L-01 / Tk. 103  
 Lease No. 223095L-02 / Tk. 103  
 Greater Wise inc. - surf., coal, oil & gas  
 V.C. & I. Co.  
 629.11 Acres  
 GAS 54.75 AC. 68.44%

TRACT #1

PROPOSED COORDINATES  
 OF CBM VC-3409

VA. S. NAD 27  
 N 265887.74  
 E 783165.56

VA. S. NAD 83  
 N 3546760.74  
 E 10266148.43

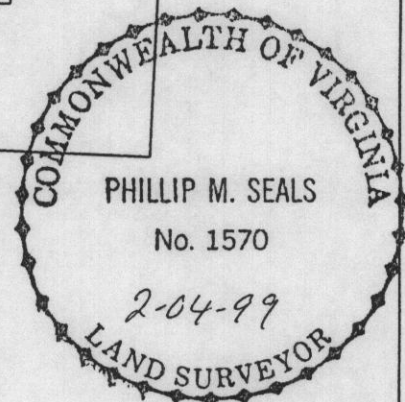
1866.76

UNIT BOUNDARY

**NOTE:**

PROPERTY AND ROYALTY INFORMATION PROVIDED BY  
 EQUITABLE PRODUCTION COMPANY.

ELEVATIONS WERE DETERMINED BY GPS AND  
 TRIGONOMETRIC METHODS BASED ON BM P-424.



COMPANY Equitable Production Company WELL NAME & NUMBER VC - 3409

TRACT NO. TK. 103 ELEVATION 2431.17 (TRIG.) QUADRANGLE NORTON

COUNTY WISE DISTRICT GLADEVILLE SCALE: 1" = 400' DATE 2-04-99

THIS PLAT IS A NEW PLAT X ; AN UPDATED PLAT        ; OR A FINAL LOCATION PLAT       

PROPOSED TOTAL DEPTH OF WELL =                     

— DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000,  
 LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

*Phillip M. Seals*

LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

(AFFIX SEAL)



**EXHIBIT "B"**  
**VC-3409**

000045 APR-78

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Greater Wise, Inc. Attn: Hank Ross P. O. Box 668 Norton, VA 24273	Leased-EPC 223095L TK-103	68.440000%	54.7500
2	Penn Virginia Company c/o Penn Virginia Oil & Gas Corp. Attn: Jim Harsha 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased-EPC 223096L TK-680	0.440000%	0.3500
3	Penn Virginia Company c/o Penn Virginia Oil & Gas Corp. Attn: Jim Harsha 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased-EPC 223096L TK-679	20.150000%	16.1200
4	Donna Wiles Taylor & William Taylor, W/H P O Box 1135 Norton VA 24273	Unleased	0.123750%	0.0993
	Monty I Wiles & Brenda Wiles, H/W P O Box 50 Coleman Falls VA 24536	Unleased	0.123750%	0.0993
	Roy Elmo Wiles & Betty Wiles, H/W 1118 Park Ave Norton VA 24273	Unleased	0.123750%	0.0994
	Clayton R Wiles & Loretta Wiles, H/W 6371 D Laurel Grove Rd Norton VA 24273	Unleased	0.123750%	0.0994
	Paula S Owens Gibson & Billy Gibson, W/H 6371 B Laurel Grove Rd Norton Va 24273	Unleased	0.123750%	0.0994

# EXHIBIT "B"

## VC-3409

000046 APR-78

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Lana W. Low & Emmett Low, W/H P O Box 3385 Iowa City IA 52244	Unleased	0.123750%	0.0994
	Pamela W Bowman & Joseph Bowman, W/H P O Box 456 Wise VA 24293	Unleased	0.123750%	0.0994
	Carmella D Wiles, Single P O Box 3222 Iowa City IA 52244	Unleased	0.123750%	0.0994
	Margaret Robinette, Widow P O Box 36 Big Rock VA 24603	Leased-EPC 244892L09 Life Estate	[0.000000%]	[0.0000]
	Jennifer R Collins & George E Collins, W/H 1305 Fourth St Radford VA 24141	Leased-EPC 244892L10 Remainderman	0.099000%	0.0795
	Cheryl Lynn Robinette, Single P O Box 36 Big Rock VA 24603	Leased-EPC 244892L11 Remainderman	0.099000%	0.0795
	Ronnie Robinette, Single P O Box 36 Big Rock VA 24603	Leased-EPC 244892L12 Remainderman	0.099000%	0.0795
	Patricia Ramey & Larry V Ramey, W/H P O Box 468 Vansant VA 24656	Leased-EPC 244892L13 Remainderman	0.099000%	0.0795
	Jeffrey B Robinette & Anna T. F. Robinette, H/W 94 770 Lumiauau St No 5 Waipahu HI 96797	Leased-EPC 244892L14 Remainderman	0.099000%	0.0795
	Michael W. Robinette & Nina M. Robinette, H/W 225 Cypress St Laurel Bay SC 29902	Leased-EPC 244892L15 Remainderman	0.099000%	0.0795



**EXHIBIT "B"**  
**VC-3409**

000047 APR-78

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Warren S. Robinette, Jr. & Diane Fuller Robinette, H/W 1733 W Braddock Pl Alexandria VA 22302-2634	Leased-EPC 244892L16 Remainderman	0.099000%	0.0795
	Phyllis Goodwin & Evins Goodwin, W/H P O Box 1239 Gloucester VA 23061	Unleased Remainderman	0.099000%	0.0795
	Betty L. Ziemann & Michael Ziemann, W/H 2562 Ridgecrest Avenue Orange Park FL 32065-6241	Leased-EPC 244892L18 Remainderman	0.099000%	0.0795
	Shirley Manley, Single P O Box 7734 Roanoke VA 24019	Leased-EPC 244892L19 Remainderman	0.099000%	0.0795
5	Humphreys Enterprises Inc P O Box 668 Norton VA 24273	Leased-EPC 223143L	8.990000%	7.1900
<b>TOTAL GAS ESTATE</b>			<b>100.000000%</b>	<b>80.0000</b>
Percentage of Unit Leased			98.911000%	
Percentage of Unit Unleased			1.089000%	
Acreage in Unit Leased				79.1255
Acreage in Unit Unleased				0.8745

# EXHIBIT "B"

## VC-3409

INTEREST  
WITHIN  
UNIT

000018 APR-78  
GROSS  
ACREAGE  
IN UNIT

TRACT

LESSOR

LEASE  
STATUS

COAL ESTATE ONLY

1	Greater Wise, Inc. Attn: Hank Ross P. O. Box 668 Norton, VA 24273	Leased-EPC 223095L TK-103	68.440000%	54.7500
2	Penn Virginia Company c/o Penn Virginia Coal Company Attn: Keith Horton P O Box 386 Duffield VA 24244	Leased-EPC 223096L TK-680	0.440000%	0.3500
3	Penn Virginia Company c/o Penn Virginia Coal Company Attn: Keith Horton P O Box 386 Duffield VA 24244	Leased-EPC 223096L TK-679	20.150000%	16.1200
4	Donna Wiles Taylor & William Taylor, W/H P O Box 1135 Norton VA 24273	Unleased	0.123750%	0.0993
	Monty I Wiles & Brenda Wiles, H/W P O Box 50 Coleman Falls VA 24536	Unleased	0.123750%	0.0993
	Roy Elmo Wiles & Betty Wiles, H/W 1118 Park Ave Norton VA 24273	Unleased	0.123750%	0.0994
	Clayton R Wiles & Loretta Wiles, H/W 6371 D Laurel Grove Rd Norton VA 24273	Unleased	0.123750%	0.0994
	Paula S Owens Gibson & Billy Gibson, W/H 6371 B Laurel Grove Rd Norton Va 24273	Unleased	0.123750%	0.0994



# EXHIBIT "B"

## VC-3409

INTEREST 00000000 APR -78

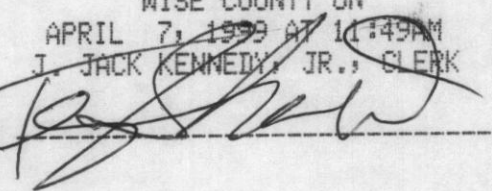
<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Lana W. Low & Emmett Low, W/H P O Box 3385 Iowa City IA 52244	Unleased	0.123750%	0.0994
	Pamela W Bowman & Joseph Bowman, W/H P O Box 456 Wise VA 24293	Unleased	0.123750%	0.0994
	Carmella D Wiles, Single P O Box 3222 Iowa City IA 52244	Unleased	0.123750%	0.0994
	Margaret Robinette, Widow P O Box 36 Big Rock VA 24603	Leased-EPC 244892L09 Life Estate	[0.000000%]	[0.0000]
	Jennifer R Collins & George E Collins, W/H 1305 Fourth St Radford VA 24141	Leased-EPC 244892L10 Remainderman	0.099000%	0.0795
	Cheryl Lynn Robinette, Single P O Box 36 Big Rock VA 24603	Leased-EPC 244892L11 Remainderman	0.099000%	0.0795
	Ronnie Robinette, Single P O Box 36 Big Rock VA 24603	Leased-EPC 244892L12 Remainderman	0.099000%	0.0795
	Patricia Ramey & Larry V Ramey, W/H P O Box 468 Vansant VA 24656	Leased-EPC 244892L13 Remainderman	0.099000%	0.0795
	Jeffrey B Robinette & Anna T. F. Robinette, H/W 94 770 Lumiauau St No 5 Waipahu HI 96797	Leased-EPC 244892L14 Remainderman	0.099000%	0.0795
	Michael W. Robinette & Nina M. Robinette, H/W 225 Cypress St Laurel Bay SC 29902	Leased-EPC 244892L15 Remainderman	0.099000%	0.0795

**EXHIBIT "B"**  
**VC-3409**

000050 APR -7 8

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Warren S. Robinette, Jr. & Diane Fuller Robinette, H/W 1733 W Braddock PI Alexandria VA 22302-2634	Leased-EPC 244892L16 Remainderman	0.099000%	0.0795
	Phyllis Goodwin & Evins Goodwin, W/H P O Box 1239 Gloucester VA 23061	Unleased Remainderman	0.099000%	0.0795
	Betty L. Zieman & Michael Zieman, W/H 2562 Ridgecrest Avenue Orange Park FL 32065-6241	Leased-EPC 244892L18 Remainderman	0.099000%	0.0795
	Shirley Manley, Single P O Box 7734 Roanoke VA 24019	Leased-EPC 244892L19 Remainderman	0.099000%	0.0795
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<b>TOTAL COAL ESTATE</b>			<b>100.000000%</b>	<b>80.0000</b>
Percentage of Unit Leased			98.911000%	
Percentage of Unit Unleased			1.089000%	
Acreage in Unit Leased				79.1255
Acreage in Unit Unleased				0.8745

INSTRUMENT #990001538  
RECORDED IN THE CLERK'S OFFICE OF  
WISE COUNTY ON  
APRIL 7, 1999 AT 11:49AM  
J. JACK KENNEDY, JR., CLERK

BY:  (DC)